

Kindlewood Phase 4: what's next

Feb. 2. 2026

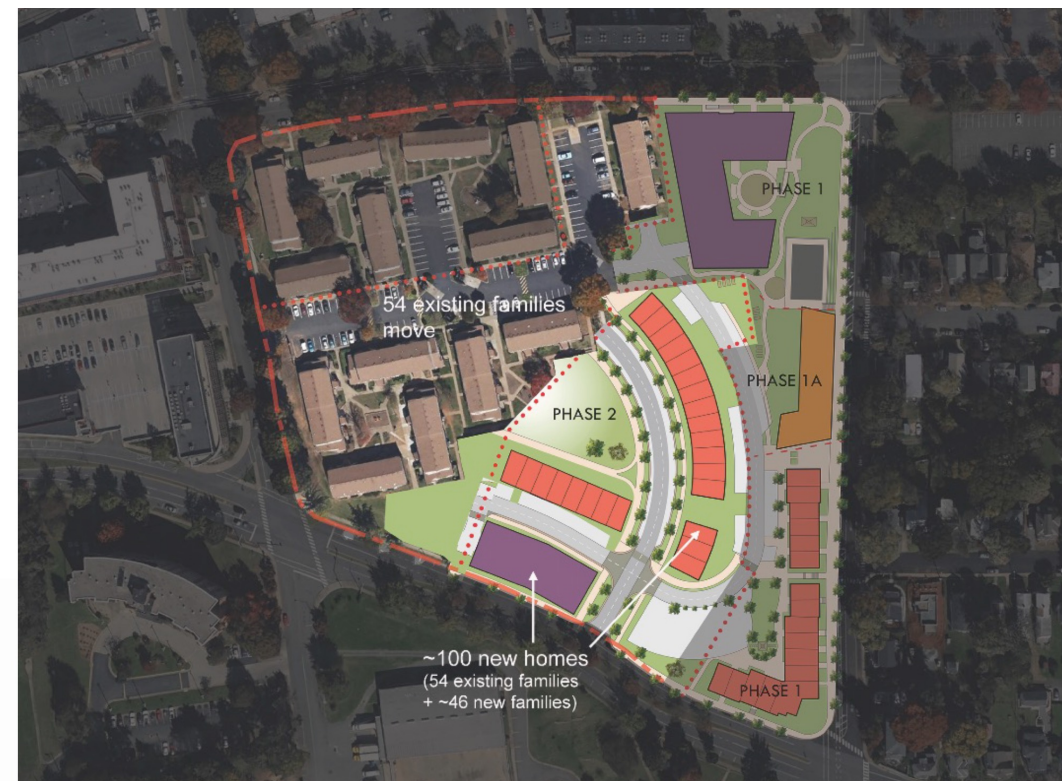
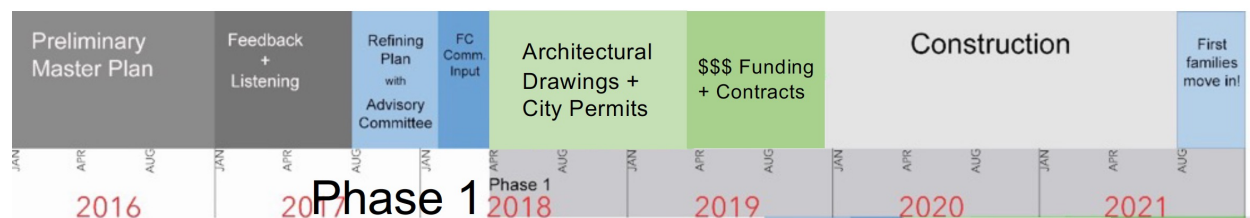


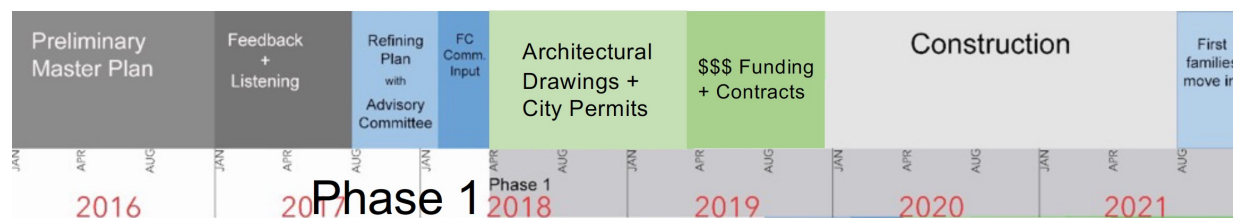
PIEDMONT **HOUSING ALLIANCE**

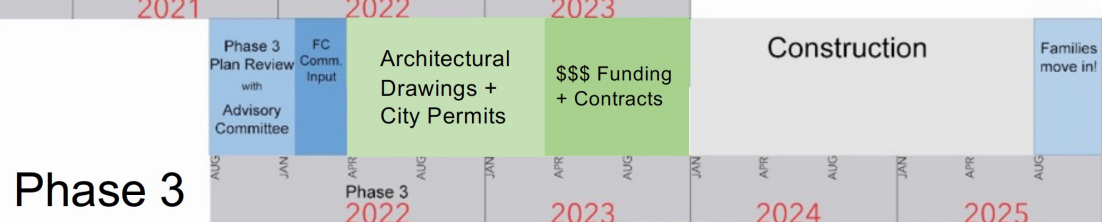
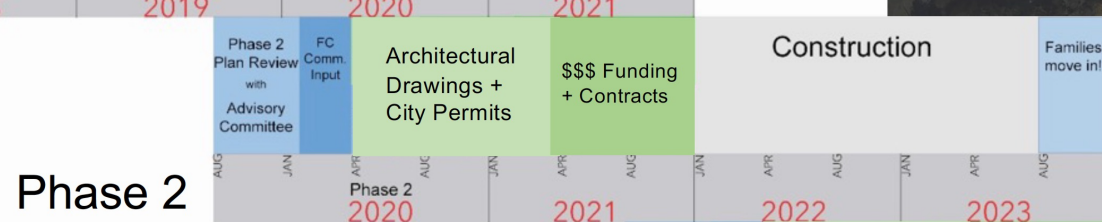
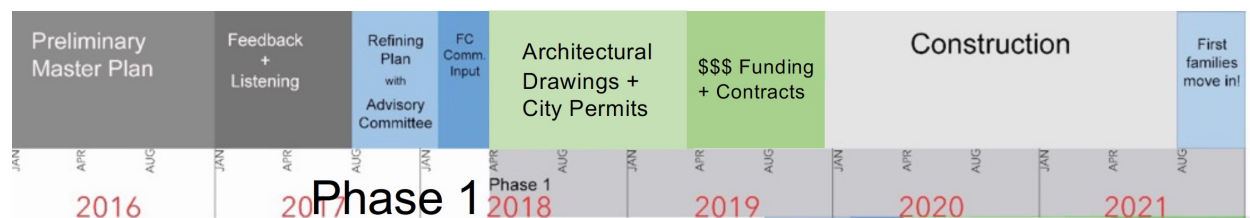
A look back in time to 2018...

- Renewed plan with:
 - 4 phases w/ zero displacement
 - integrated tiers of affordability (Section 8 replacement + 30%-60% AMI + 60-80% AMI units)
 - 30,000+ sq ft of commercial space (incl. early learning ctr)
 - 1-acre park
 - new neighborhood-style public roads



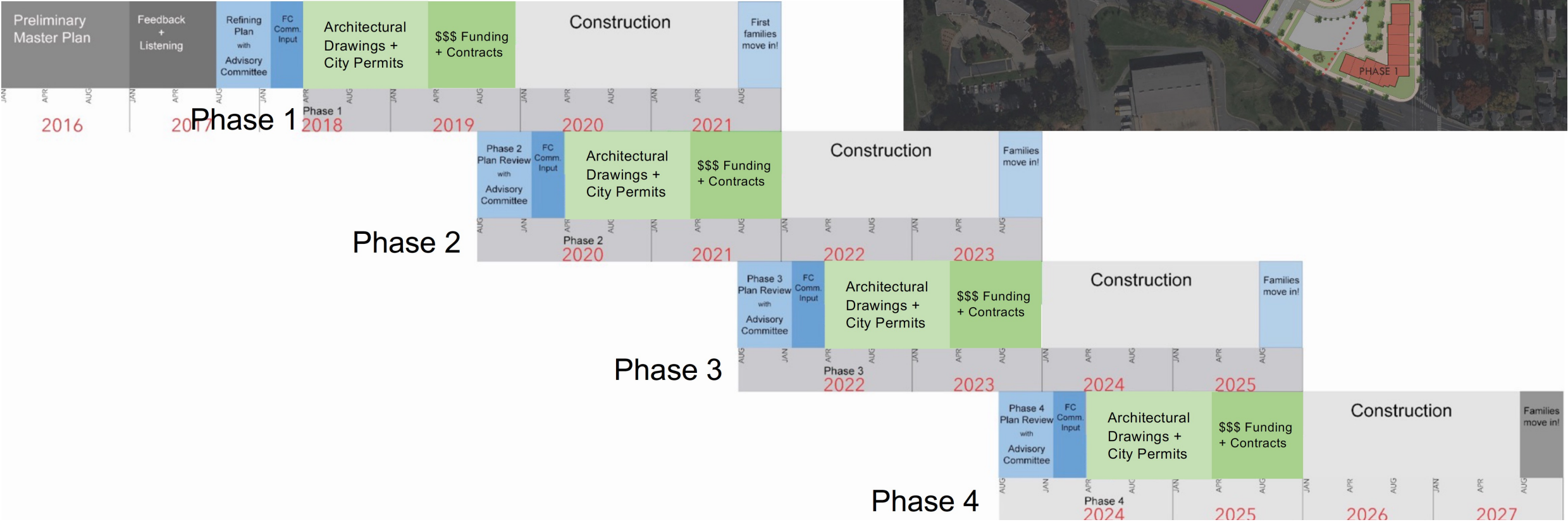






What we didn't know in 2018...

- Two-year pandemic that would delay construction by 1+ years
- Historic escalation in construction costs
- Historic increase in interest rates that added \$millions in financing costs
- Loss of HUD-designated Qualified Census Tract (QCT) status
- Reams of red tape at HUD to get through funding approvals (delayed 1+ years)
- Massive upheaval in federal administration that increases uncertainty for risk-averse funders + lenders
- Retraction of green-building funding



What we've accomplished...

- Completion of Phase 1
- Phase 2 under construction
- Financed Early Learning Center (also under construction)
- Achievable financing horizon for Phase 3
- Navigated all of this through 3 different financing strategies for 3 different phases (not because we wanted to)



What we're confronting for Phase 4...

- No Section 8 subsidy for rents in Phase 4
- Sustained high interest rates + higher construction costs
- Federal landscape uncertainty for next 3+ years
- Reduction in value of LIHTC over time

LIHTC pricing trend (each \$0.01 = approx. \$150,000-\$200,000 in equity)

- Phase 1: \$0.91 per \$1.00
- Phase 2: \$0.81 per \$1.00
- Phase 3: TBD, but \$0.75-\$0.80 per \$1.00 estimated
- Phase 4: ???

LIHTC strategies so far (how we've had to adapt)

- Phase 1: One 9% LIHTC
- Phase 2: One 4% LIHTC (relied on QCT status)
- Phase 3: One 9% + one 4% ("twinned"; lost QCT status)



KINDLEWOOD PHASE 4

	Projected in 2018	Actual
PHASE 1	106	106
PHASE 2	103-114	104
PHASE 3	88-102	85
PHASE 4	75-150	90-130
Total by Phase in City Agreement	372-472	385-425
Total Mix/Max in City Agreement	425-475	

*All units have 90+ year affordability period per City agreement

	Version A (~90 units)	Version B (~130 units)
LIHTC strategy	Two 9% awards (really hard)	Three 9% awards (really, really, really hard)
City funds	\$4.5M (already committed; similar \$/unit as other phases; currently showing \$1M gap)	\$4.5M + \$5.2M (significant increase mostly due to reduced sources + projected cost escalation)
Construction Type	Similar to Phases 1-3	Taller construction (more expensive)
Commercial + Amenity Space	11,000-14,000 sq ft	13,000-16,000 sq ft
Parking	~1 spot per apt (no commercial)	~1 spot per apt (no commercial)
Homeownership (CLT)	~10 homes	~10 homes
Depth of Affordability	30-60% AMI* (est. 8 @ 30%; 44 @ 50%; 31 @ 60%) <i>* no market rate</i>	30-60% AMI* (est. 10 @ 30%; 50 @ 50%; 60 @ 60%) <i>* no market rate</i>
Existing Trees	Highest chance of retaining (more flexibility in design to reduce potential impact)	Low chance of retaining (higher density and less flexibility)
Chance of Success	Best chance (mitigates risk of changing federal landscape; more predictably financeable)	??? (unpredictable)